

## Comments presented to Senate Business & Commerce Committee on SB 1219 Sandra Haverlah, President of Texas Consumer Association March 29, 2011

Texas Consumer Association (TCA) supports the intent behind SB 1219 to make the Public Utility Commission of Texas' "Power to Choose" website more consumer friendly. While the competitive market has seen numerous private, third party rate plan websites crop up, the "Power to Choose" website is still the primary shopping tool for consumers in Texas. As such, there are some issues with the functionality and usability of the website that need to be addressed.

Specifically, one of the functionality issues TCA would like to see addressed on the "Power to Choose" website involves the way rate plans are presented to consumers after they perform a search. Consumers are asked to enter a zip code, then the website produces a long list of all the available rate plans in their area, beginning with the 'cheapest' rate.

On its face, this seems like a good idea. After all, most people are hunting for the best price when they visit the website. Unfortunately, the first several pages of offers (depending on where you live) presented are variable rate plans. These types of plans don't allow customers to lock in a price, and the rate frequently changes. These variable plans might work for some people in certain circumstances. But for most families who are looking for lower rates and some stability this is not the best option.

Not unlike variable rate mortgages, these plans offer steep discounts or 'teaser rates' at the outset, but usually end up costing much more in the long run. In fact, these plans sometimes offer their 'teaser' rate then significantly balloon up in price the very next month.

These companies are often small and have little or no infrastructure to actually aid customers when they need help resolving the rate issue. This website functionality creates a situation where the PUCT is inadvertently pushing consumers into high-risk, and often times, low-quality rate plans.

We would like to see a more consumer-friendly listings on the website. Ultimately, TCA believes the importance and value of the PUCT "Power to Choose" website will diminish as more and more private company websites enter the market. But for now, TCA believes that the PUCT website can and should continue and undergo some modifications to help consumers make smarter decisions about their electricity needs.